

104TH CONGRESS
2D SESSION

H. R. 3349

To amend the Housing and Community Development Act of 1974 and the Federal Home Loan Bank Act to authorize Federal Home Loan Banks to make advances for community development activities to units of general local government and for such advances to be guaranteed by community development block grant amounts to which such units of local government become eligible, to expand the community participation requirements relating to community development loan guarantees to include participation of major community stakeholders, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1996

Mr. FATTAH (for himself, Mr. ROMERO-BARCELÓ, Mr. FILNER, Mr. HASTINGS of Florida, Ms. JACKSON-LEE of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Ms. NORTON, Mr. THOMPSON, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Housing and Community Development Act of 1974 and the Federal Home Loan Bank Act to authorize Federal Home Loan Banks to make advances for community development activities to units of general local government and for such advances to be guaranteed by community development block grant amounts to which such units of local government become eligible, to expand the community participation requirements relating to community development loan guarantees to include par-

icipation of major community stakeholders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Cities In-

5 vestment Act of 1996”.

6 **SEC. 2. COMMUNITY DEVELOPMENT LOAN GUARANTEES.**

7 (a) ADVANCES FROM FEDERAL HOME LOAN

8 BANKS.—Section 108 of the Housing and Community De-

9 velopment Act of 1974 (42 U.S.C. 5308) is amended by

10 adding at the end the following new subsection:

11 “(s) AUTHORITY TO GUARANTEE ADVANCES FROM

12 FEDERAL HOME LOAN BANKS.—

13 “(1) LIMITATION ON MAXIMUM OUTSTANDING

14 LOAN GUARANTEES.—Notwithstanding any other

15 provision of this section, the maximum aggregate

16 outstanding amount of notes and obligations of a

17 single issuer guaranteed under this section shall be

18 an amount determined by the Secretary based on the

19 amount of the grant approval for the issuer under

20 section 106 or 107, the fiscal condition of the issuer,

21 and the potential return on investment of the

22 projects to be undertaken with the proceeds of such

23 notes and obligations, but may not in any case ex-

24 ceed the discounted present value (based on the pre-

1 vailing Federal funds rate) of the grants that the is-
2 suer would receive over a period not to exceed 20
3 years if the issuer’s annual grant amount over such
4 period were equal to 80 percent of the current grant
5 approval for the issuer. The amount of an advance
6 guaranteed under paragraph (2) shall be included in
7 the aggregate outstanding amount of notes and
8 loans for purposes of the limitation under this para-
9 graph.

10 “(2) SECURITY.—The Secretary may use any
11 authority provided for guaranteed loans authorized
12 by this section to guarantee advances made under
13 section 10b(c) of the Federal Home Loan Bank Act,
14 but only if the unit of general local government for
15 the eligible public entity or designated public agency
16 to which the advance is made pledges any grants to
17 which it becomes eligible under this title as security
18 for repayment of the advance.”.

19 (b) STAKEHOLDER PARTICIPATION.—Section 108 of
20 the Housing and Community Development Act of 1974
21 (42 U.S.C. 5308) is amended by adding after subsection
22 (s), as added by subsection (a) of this section, the follow-
23 ing new subsection:

24 “(t) STAKEHOLDER PARTICIPATION.—

1 “(1) REQUIREMENT.—For the purposes of the
2 development of activities to be funded under this
3 section, the community participation requirements of
4 section 104(a) shall be expanded to include partici-
5 pation of major stakeholders. Such stakeholders may
6 include, but not be limited to the chief executives of
7 the following entities:

8 “(A) The board of education.

9 “(B) The police and fire departments.

10 “(C) Utility companies.

11 “(D) Universities.

12 “(E) Chambers of commerce.

13 “(F) Labor unions.

14 “(G) Transportation authorities.

15 “(H) Health Facilities.

16 “(I) Locally owned radio and television
17 stations.

18 “(J) Libraries.

19 “(K) Cultural institutions.

20 “(L) Religious institutions.

21 “(M) Sports franchises.

22 “(N) Professional and social service asso-
23 ciations.

24 “(2) DEFINITION.—For purposes of this sub-
25 section, the term ‘stakeholder’ means a public or pri-

1 vate organizational entity whose future well-being
2 depends upon the applicant’s continued social and
3 economic viability.”.

4 **SEC. 3. FEDERAL HOME LOAN BANK ADVANCES.**

5 Section 10b of the Federal Home Loan Bank Act (12
6 U.S.C. 1430b) is amended by adding at the end the follow-
7 ing new subsection:

8 “(c) ADVANCES TO UNITS OF LOCAL GOVERNMENT
9 FOR COMMUNITY DEVELOPMENT PURPOSES.—A Federal
10 Home Loan Bank may make advances to an eligible public
11 entity (as such term is defined in section 108(o) of the
12 Housing and Community Development Act of 1974) or a
13 public agency designated by an eligible public entity in the
14 same manner provided for advances to nonmember mort-
15 gagees under this section, except that advances under this
16 subsection shall not be subject to the requirements under
17 this section regarding security, but may be made only pur-
18 suant to a guarantee provided under section 108(s)(2) of
19 the Housing and Community Development Act of 1974.”.

○